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EXECUTIVE DIRECTOR

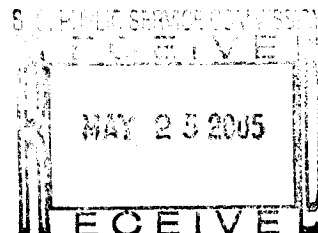
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174152
03/05/05



May 25, 2005

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Farmers Telephone Cooperative, application for approval to establish a depreciation rate of five years for the hardware with soft switch central office, switching equipment.
PSC Docket No.: 2005-145-C

Dear Mr. Terreni:

In regards to the above referenced PSC Docket No. 2005-145-C, the Office of Regulatory Staff has no objection to Commission approval of the five year depreciation rate for hardware associated with softswitch technology as proposed by Farmers Telephone Cooperative. We would request that given the lack of historical data associated with this emerging technology that Farmers maintain separate Plant Accounts for both soft switch hardware and software. This will allow us to begin building some historical data to reference in the future as the use of Soft Switching Technology becomes more prevalent.

Please let me know if you have any questions.

Sincerely,

Jim McDaniel
Program Manager: Telecommunications
South Carolina Office of Regulatory Staff